



JOBS THROUGH RECYCLING



JTR Grantee Series Maryland

In 1994, county recycling collection programs were fairly well established in the state of Maryland as a result of the 1988 Maryland Recycling Act. In addition, the state mandated the procurement of recycled-content products and conducted numerous procurement training seminars for local and state government agencies.

To build upon this foundation and provide leadership in the state on recycling market development issues, Maryland received a Jobs Through Recycling (JTR) grant in 1994 to establish a Recycling Economic Development Advocate (REDA) position within the Maryland Department of Business and Economic Development (DBED).

During the grant period, the REDA offered information to businesses about available state resources and provided access to a network of market development contacts. In addition, the REDA was an active member of the Maryland Market Development Task Force, helping to develop a strategy to promote recycling market development in the state.

Targeting wood, drywall, mixed paper, roofing shingles, and produce residuals, the REDA helped create a thriving recycling industry in Maryland, providing assistance to more than 340 companies. The REDA's efforts helped create more than 230 jobs, build more than 60,000 tons in additional processing and manufacturing capacity, and generate more than \$12 million in capital investments for recycling businesses.

PROGRAM ACTIVITIES

The REDA created the Recycling Industry Development Program in conjunction with the Maryland Department of the Environment (MDE) to assist existing recycling businesses and attract new companies to Maryland. As part of this effort, the REDA established the Resource Availability Packaging (RAP) program for businesses. RAP program services included financing assistance, workforce training, siting, product marketing, technology transfer, and productivity and quality management assessments.

At a Glance

Grant Type: REDA

Office Awarded:
Maryland Department of
Business and Economic
Development

Project Partner:
Maryland Department of the
Environment

Year Awarded: 1994

Funding:
\$ 74,000 in EPA funding
\$ 56,000 in state funding
\$130,000 in total funding

Materials Targeted:
Wood
Drywall
Mixed Paper
Roofing Shingles
Produce Residuals

Contact Information:
Virginia Lipscomb
Maryland Department of
the Environment
2500 Broening Highway
Baltimore, MD 21224
Phone: 410 631-3315



JOBS THROUGH RECYCLING

ASSISTANCE PROVIDED

Business Management and Technical Assistance

When assisting a business, the grantee typically assembled a team of experts to identify the company's needs and present state resources for assistance. Through the RAP program, the REDA reviewed business plans, offered permitting guidance, and matched recyclable material suppliers with manufacturers. The grantee also provided additional information on recycling laws and programs, data on recycling collection, key public and private contacts in the industry, and waste management services. Assistance ranged from in-depth onsite visits to consultations over the phone.

Financial Assistance

RAP program staff assisted businesses with locating financing through a series of state-based funding sources available to Maryland businesses that generate employment and create capital investment in the state. Financing options include tax-exempt revenue bonds, loan insurance programs, and matching funds for research and development. The grantee also provided businesses with access to regional resources and federal programs.

Publication and Promotion

The REDA operated an outreach and education program called *Operation Market-Ed*. As part of this broad-based campaign, the grantee frequently spoke at conferences and seminars. In fact, the REDA participated in more than 26 events and used a variety of tools including a market development brochure, a recycled products display, and a recycling market database. The display contained photographs of recycling facilities and technologies, recy-

cled product samples, and economic development program information. During the grant period, the REDA distributed more than 2,000 brochures.

CHALLENGES OVERCOME

- **Difficulty in tracking information.** To address the difficulty in tracking progress, the REDA developed a database with information on the processors and manufacturers in the state, including contact information, facility size, capacity (in tons), utilization rate, and details on communication with the company. The database served as a flexible tool to track both routine and more in-depth assistance. It also was used to generate various reports on specific recycled materials.

Through the RAP program, the REDA provided financing assistance, workforce training, siting, product marketing, technology transfer, and productivity and quality assessments.

- **Keeping recycling a priority.** Raising awareness about the success of recycling was a major challenge for the REDA. According to the grantee, you can never do enough marketing, outreach, and education. It is difficult to keep the attention of key audiences, such as elected officials, in light of so much other competing information. The REDA also found it critical to continually educate colleagues and attract attention to the success of the state's program. Being creative and thinking strategically helped the REDA achieve success.

LESSONS LEARNED

- **Recycling market development takes time.** Attracting new prospects to the state required significant staff time and resources. The grantee considered the time an investment, however, because efforts do not always show immediate results. The REDA estimated that the state's program, beyond what was accomplished to date, will result in an additional \$25 million in new investment and 181 new jobs after the grant expiration.
- **Network.** The REDA used interpersonal networks for outreach. Links with interested groups, such as the Institute for Scrap Recycling Industries, created opportunities for speaking engagements and networking with members. These contacts eventually became clients or made referrals to the REDA. Knowing the trade organizations, participating in trade shows, and attending conferences provided opportunities for the grantee to talk with business and industry to learn about their issues.
- **Understand economic development issues.** The grantee found that recycling market development staff hired from environmental positions usually understand the JTR initiative from an environmental perspective, but often do not have a strong grasp of economic development issues. Economic developers look at the recycling industry in terms of jobs, productivity, and balance sheets rather than tonnage and diversion. REDAs need to understand economic development issues such as financing mechanisms within their state and where to find assistance with reviewing business plans and financial data. Under-

standing economic development was crucial to establishing credibility for the program and effectively assisting businesses.

- **Market development is small business development.** As the bulk of businesses are small to medium, paying attention to the resources available to this segment of industry is critical.
- **Focus on materials that matter.** Use state information on quantities of recyclable materials collected to prioritize marketing efforts—but still be open-minded. Listen to entrepreneurs for new ideas, whether they are “back-of-the-envelope” plans or ideas from more established companies. Also, look at market trends and try to understand the market issues of different industry sectors. This will help you advocate on behalf of priority industry sectors.
- **Only report approved figures.** In reporting on the results of your assistance, use numbers that states, local governments, and businesses are willing to issue in public. Understand that economic development data, such as number of employees and

investment dollars, are variable and subject to change. In grey areas, use your best judgment.

Understanding economic development was crucial to establishing credibility for the program and effectively assisting businesses.

ACCOMPLISHMENTS

During the grant period, the REDA helped businesses create and retain more than 230 jobs, stimulate more than \$12 million in new capital investment, and generate 350,000 tons per year of new capacity. In total, the REDA provided business management, financial, and technical assistance to more than 340 companies. Through a variety of outreach activities and direct

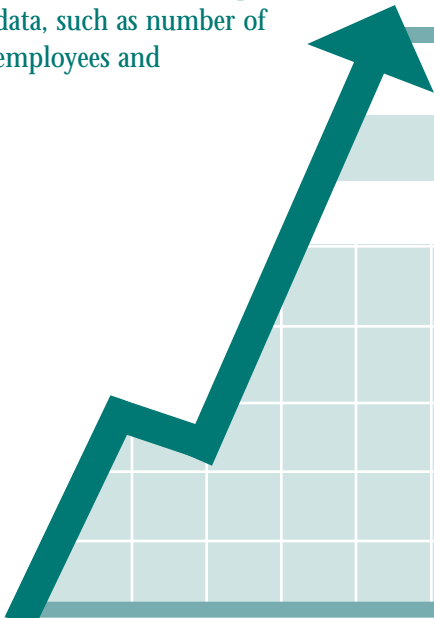
technical assistance, the REDA provided a significant boost to recycling market development in the state. In addition, the REDA boosted the level of interest in the recycling industry among state agencies, particularly DBED.

PROGRAM FUTURE

Based on the success of the REDA, DBED continued to fund a position to work on recycling market development. This, however, is only one of several areas on which this person will work. In addition, EPA awarded a second JTR grant to MDE in 1997 to fund a market development specialist. This individual will conduct a variety of projects including materials matching, economic development training, and outreach on environmental issues. For more information on the 1997 grant, contact Cliff Dowling at 410 631-3315.

RESULTS

Total Number of Businesses Assisted:	342 organizations
Financial and Training Assistance:	\$1.2 million in financing
Full-Time Equivalents	
Created or Retained:	237 jobs
Amount of Capital Invested:	\$12.2 million
Volume of New Capacity Created:	350,000 tons per year
Volume of Secondary Materials Actually Used:	90,100 tons per year





Jobs Through Recycling *Success Stories*

"The REDA helped our company manage its business for the future."

MURRELL SMITH
Chesapeake Paperboard Company

Founded in the early 1900s, the Chesapeake Paperboard Company is a privately held paperboard mill located in Baltimore, Maryland. The company manufactures recycled-content paperboard that is converted into folding and setup boxes, notepads, tablet backing, and other products. The mill utilizes a range of recycled materials, including mixed paper, collected through the city of Baltimore's curbside recycling program.

The REDA assisted the Chesapeake Paperboard Company in taking advantage of state financial assistance options and identifying programs to upgrade the skills of its workforce and modernize its equipment.

With the assistance of the REDA, the company was able to:

- **Secure a \$4 million tax-exempt industrial revenue bond through the state's Energy Financing Administration.** With the tax-exempt industrial revenue bond, the Chesapeake Paperboard Company was able to retain its 130 employees. Since that time, the company has expanded by adding 20 new employees.
- **Register for the state's ISO9000 consortium program for businesses.** This program focuses on how to develop and implement an ISO9000 quality system. The company plans to use its certification as a competitive advantage and to establish an internal quality assurance program.
- **Receive a \$10,000 training grant from the state through the Partnership for Workforce Quality program.** Under this program, a business can be reimbursed for up to 50 percent of its costs for employee training (e.g., through courses, seminars, and manufacturing training programs). The company intends to use this program to train mill mechanics on skills related to pipe fitting, welding, drive gears, and pumps through courses and laboratory exercises.



Today, the Chesapeake Paperboard Company provides significant economic benefits to the community with expenditures of roughly \$7 to \$8 million per year on labor, raw materials, and supplies. In addition, the company provides a strong demand for the paper recycled by Baltimore-area citizens every day.

Partners

- **Maryland Department of the Environment**—This agency served several roles in the JTR program, including providing recycling data to help identify sources of supply, serving as a key link to county recycling coordinators, strengthening communication between environmental and economic development departments, building a database on recycling companies, assisting with market promotion, and encouraging the procurement of recycled-content products.
- **University of Maryland Technology Extension Service**—Staffed by civil, mechanical, and electrical engineers, this group worked with the REDA to provide free, onsite technical assistance to recycling businesses. Through this extension service, the REDA also gained access to university faculty with expertise in recycling processing and facility design.
- **Six Regional Technology Councils**—The REDA worked with these councils to provide manufacturing and technology-based businesses with access to educational forums, conferences, and networking opportunities.